

Annual Report of
**Matachewan Consolidated Mines,
Limited**



For the Year Ended December 31, 1971

Matachewan Consolidated Mines, Limited

DIRECTORS

PAUL H. McCLOSKEY, M.C., B.Sc.

H. P. McCLOSKEY

A. D. HELLENS, M.C., B.Sc.

A. A. McCLOSKEY, B.Sc.

D. W. FALCONER, Q.C.

OFFICERS

President - - - - PAUL H. McCLOSKEY

Vice-President - - - - H. P. McCLOSKEY

Secretary - - - - D. W. FALCONER

Treasurer - - - - E. F. BARLOW

TRANSFER AGENT AND REGISTRAR

CROWN TRUST COMPANY, Toronto, Ontario

AUDITORS

CLARKSON, GORDON & Co., Toronto, Ontario

HEAD OFFICE

Room 1110, 55 Yonge Street, Toronto 215, Ontario

The Annual Meeting of the Shareholders of the Company will be held in the Hunting Room, King Edward Sheraton Hotel, Toronto, on Wednesday, May 31, 1972, at the hour of 10:30 o'clock in the forenoon (Toronto Time).

Matachewan Consolidated Mines, Limited

Directors' Report

TO THE SHAREHOLDERS:

The annual report for the year ended 31 December, 1971, including the Auditors' Report and Financial Statements is hereby submitted.

Financial

Including write-offs for certain abandoned mining claims and deferred exploration and development costs together totalling \$11,953.00, your company had an operating loss of \$17,000.00. To this must be added an amount of \$47,150.00 representing the company's investment in, and advances to, Sunset Yellowknife Mines Ltd. which was also written-off resulting in a net loss for the year of \$64,150.00. Sunset Yellowknife had been inactive for a great many years and to avoid any further costs to Matachewan for keeping it in good standing, steps were taken to dissolve the company. Working capital at \$251,031.00 is down \$7,051.00 from the previous year.

Other Interests

Madsen Red Lake Gold Mines, Limited, with whom your company participated in a potash exploration in Saskatchewan, decided during the year to allow the acreage held under an exploration permit to revert to the Crown. The equity previously held by your company has therefore virtually disappeared except for a very minor interest in some freehold acreage.

Exploration

It was reported last year that certain mining claims in British Columbia had been optioned to Croydon Mines Ltd. After considerable work was done on these claims it was the opinion of the optionees that further development was not warranted and the option agreement was cancelled.

General

There are no specific projects in which your company is engaged at this time but it will continue to be the policy to consider any likely situations in the mining exploration and investment field that are presented.

On behalf of the Board,

P. H. McCLOSKEY,
President.

April 24th, 1972.

Matachewan Consolidated Mines, Limited

(Incorporated under the laws of the Province of Ontario)

Balance Sheet

(with comparative figures for 1970)

ASSETS

	1971	1970
Current:		
Cash	\$ 490	\$ 3,566
Gold certificates — at cost (market value \$13,050)	13,110	13,057
Marketable securities — at cost (market value 1971 — \$118,013; 1970 — \$133,635)	237,648	238,966
Accounts receivable		2,710
	<u>251,248</u>	<u>258,299</u>
Other Investments:		
Investment in common shares of Sunset Yellowknife Mines Limited — at cost		45,202
Shares of companies with no quoted market value — at cost less amounts written off	2,696	2,696
	<u>2,696</u>	<u>47,898</u>
Mining Properties:		
Mining claims at cost less amounts written off	40,002	39,906
Property and equipment — at nominal value	1	1
Deferred development and exploration costs less amounts written off ..	8,012	20,005
	<u>48,015</u>	<u>59,912</u>
	<u>\$ 301,959</u>	<u>\$ 366,109</u>

AUDITOR'S REPORT

To the Shareholders of
Matachewan Consolidated Mines, Limited:

We have examined the balance sheet of Matachewan Consolidated Mines, Limited, and the source and application of funds for the year then ended. Our examination included the source and application of funds for the year then ended, in accordance with generally accepted auditing standards, and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of Matachewan Consolidated Mines, Limited, at the end of the year, and the source and application of its funds for the year then ended, in accordance with generally accepted auditing standards.

Toronto, Canada,
January 12, 1972.

ated Mines, Limited

e laws of Ontario)

December 31, 1971
t December 31, 1970)

LIABILITIES

	1971	1970
Current:		
Accounts payable	\$ 217	\$ 217
Shareholders' Equity:		
Capital stock —		
Authorized:		
7,000,000 shares of no par value		
Issued:		
5,923,250 shares	1,179,433	1,179,433
Deficit	(877,691)	(813,541)
	301,742	365,892
On behalf of the Board:		
P. H. McCLOSKEY, Director.		
D. W. FALCONER, Director.		
	<u>\$ 301,959</u>	<u>\$ 366,109</u>

REPORT

d as at December 31, 1971 and the statements of profit and loss and deficit and
general review of the accounting procedures and such tests of accounting records

f the company as at December 31, 1971, the results of its operations and the source
cepted accounting principles applied on a basis consistent with that of the preceding

CLARKSON, GORDON & CO.,
Chartered Accountants.

Matachewan Consolidated Mines, Limited

Statements of Profit and Loss and Deficit

For the Year Ended December 31, 1971

(with comparative figures for the year ended December 31, 1970)

PROFIT AND LOSS

	1971	1970
Revenue:		
Gain on sale of investments	\$ 971	\$ 2,097
Interest		174
Dividends	2,732	6,220
Sale of option agreement		1,000
Sundry income	137	
	<u>3,840</u>	<u>9,491</u>
Expenses:		
Legal and audit	825	900
Office and corporate	6,691	8,189
Licenses and taxes	1,370	1,686
Mining claims written off	176	2,054
Deferred development and exploration costs written off	11,778	10,000
	<u>20,840</u>	<u>22,829</u>
Net loss for year before the following	<u>17,000</u>	<u>13,338</u>
Write off of investment in and advances to Sunset Yellowknife Mines Limited	47,150	
Net loss for year	<u>\$ 64,150</u>	<u>\$ 13,338</u>

DEFICIT

Balance, beginning of year	\$ 813,541	\$ 800,203
Net loss for year	64,150	13,338
Balance, end of year	<u>\$ 877,691</u>	<u>\$ 813,541</u>

Matachewan Consolidated Mines, Limited

Statement of Source and Application of Funds

For the Year Ended December 31, 1971

(with comparative figures for the year ended December 31, 1970)

	1971	1970
Source of Funds:		
Operations —		
Net (loss) for year	\$ (64,150)	\$ (13,338)
Charges to income not resulting in an outlay of funds:		
Mining claims written off	176	2,054
Deferred development and exploration costs written off	12,049	10,000
Investment in shares of Sunset Yellowknife Mines Limited	45,202	
Total funds from operations	<u>(6,723)</u>	<u>(1,284)</u>
 Application of Funds:		
Purchase of mining claims	272	340
Deferred development and exploration costs	56	4,568
	<u>328</u>	<u>4,908</u>
Net decrease in working capital	<u>\$ 7,051</u>	<u>\$ 6,192</u>

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